An Analysis Of The Concept Of Derogation In Regional And Continental Integration: A Case Of Zimbabwe?

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Abstract- Africa, like any other continent, has embraced continental integration, to create continental economies of scale in pursuit of sustainable economic growth and development. The notion of resource pooling, collective capacity development, complementary management of resource endowments and indeed creation of internal markets will provide opportunity for creation of a robust African economy, capable of overcoming poverty, unemployment and social distress.

The African development architecture, as created by the founding nationalists, neglects the concept of continental collective capacity development for shared economic performance, enhanced and simplified movement of persons and goods, development of common regional infrastructure, promotion of conducive macroeconomic environment favourable to facilitation of economic development amongst African states.

The recent realisation by Pan-African Institutions, that deeper intra Africa collaboration is possible beyond matters of continental peace and security to engendering macroeconomic convergence a departure from the usual rhetoric of national sovereignty. Research has shown that 80 cents out of every dollar made in Africa is as a result of trade. The realisation that continental integration remains a logical option, came about against a background of efforts to railroad other multi-lateral arrangements with Africa particularly on raw material trade. Progress has been made in creating African regional trade blocs albeit with inherent constraints largely driven by turfism, historical colonial attachments, a leadership gap and general institutional weaknesses in member-states. Of grave concern however, is the general failure of rules-based economic engagements in Africa militating against the vast potential Africa has, to increase intra African trade.

This paper shall cross-examine and engage in an in-depth analysis on the concept of derogation in integration, putting into perspective Zimbabwe's derogation experiences in SADC, COMESA and the CFTA, whilst making comparative scrutiny with cases in other continents. Derogation by nature impacts not only the country seeking the derogation but retards progress with the group that has committed to the cause of the economic cooperation.

Index Terms- derogation, continental free trade area, industrialisation, regional integration, bilateral agreements

I. Introduction

Zimbabwe is a land linked country located at the centre of Sub Saharan Africa. A modest population of approximately 15million inhabitants, has an averagely developed infrastructure by regional standards. It can be described as a country in immense political dire straits with an economy performing worse than most countries at combat war. Whilst there is generally an outcry on 'economic sanctions'' imposed on the country by the west and their allies, a significant number of national challenges faced are self-inflicted resulting in consistent negative economic growth, dwindling per capita incomes, high levels of inflation, very high unemployment and underemployment, poor agrarian sector performance leading to food insecurity of astronomical proportions, foreign exchange shortages, dead economic enablers and public sector decay.

In its medium-term vision, Zimbabwe aspires to be an upper middle-income country by year 2030.It therefore translates to a consistent annual double-digit growth to 2030. The vison statement competently describes indicators and character of an upper middle-income country. These include access to high quality education, health, low levels of unemployment, effective debt management policies, incremental economic growth thresholds, bankability of both fiscal and monetary policy standards, good corporate governance, reporting and accountability, and macroeconomic stability. However, weakening national institutions, unavailability of efficient and correct productive infrastructure for both industrialisation and trade, weak economic enablers and deepening corruption against a crippling national debt Are components militating against all the efforts to create a developmental state aspiring to be an upper middle-income country by 2030.

The traditional Zimbabwean economy is agriculture based with the greatest percentage of the population surviving on agriculture related activities. Backward and forward integration in agriculture value chains have been destroyed, particularly those that provided the much-needed sophisticated industrial linkages for value addition and beneficiation. Historically these linkages are associated with excellent agriculture value added and manufactured exports contributing significantly to economic growth.

Trade and investment opportunities existed in services, tourism, horticulture, agricultural commodities and minerals. This extended to elaborate linkages with other sectors particularly manufacturing, mining and agroprocessing. Industrial development and trade policy mix enhanced Zimbabwe chances of achieving the country's productivity and trade objectives.

Zimbabwe is a member of the WTO, has been a GATT contracting party. Zimbabwe domesticated the WTO agreement to the same status as all treaties the country has entered into with other parties. The country has been a member of the ACP group, the G90, as well as the G33, a member of the AU and its economic community, COMESA, SADC, and the tripartite by virtue of being in COMESA and SADC.

Zimbabwe entered into bilateral arrangements with Botswana, DR Congo, Mozambique, Namibia, Malawi and South Africa among others. Whilst these bilateral arrangements remain in force, the introduction of the SADC Free Trade area toned down these bilateral agreements in some areas. The country was delisted from the US driven AGOA, EPA were negotiated and ratified under ESA and has a trade and investment technical cooperation with China. The country is signatory to Multilateral Guarantee Agency, Overseas Private Investment Cooperation (OPIC), International Convention of Settlement of Investment Disputes, New York Convention on the enforcement of foreign arbitral awards and the United Nations Convention on International Trade Law. Some of these treaties may have fallen on the way side and overtaken by global and continental trade developments

The Zimbabwe constitution guarantees protection of private property. This extends to all the assets acquired under bilateral investment promotion and protection with countries in Africa, Europe, South America and the Middle East. These commitments came under the spotlight during the period of the land seizures, with white commercial farmers winning all the cases heard before regional courts particularly the SADC tribunal.

The chief disconnects between intra -African regional and continental trade and trade between Africa and other multilateral organisation is the inability of Africa to conform to rules-based trading principles. The group of (G7) approach to trade has been traditionally based on a set of key principles on which all member countries agreed to, namely the commitment to fight protectionism and the prominence of the rules-based multilateral trading system, anchored in the WTO (Françoise NICOLAS, Sébastien JEAN 2019) Africa, in particular, is unable to institute trade sanctions on other African countries because of various errors of omission or commission. This becomes an inherent weakness in economic relations of African states.

II. The problem

There is a nexus between economic performance, competitiveness as well as macroeconomic stability and country competitiveness in both regional and continental integration. National competitiveness is achieved through national collective energies harnessed across national economic sectors deployed to develop an exclusively competitive Zimbabwean economy. The collective effort is ordinarily government led. Government leadership is demonstrated by provision of national engagement platforms assuring all stakeholders that the government has genuine commitment to creating a robustly competitive Zimbabwe. Whilst Zimbabwe plays a significant role in creating both regional and continental integration frameworks (at both secretarial and strategic levels) the country remains inherently weak in national trade and industrialisation capacities. The IMF notes with concern that weak financial reporting in the Zimbabwean government persistently erodes economic confidence Sharing of financial information among government ministries to enhance public sector coordination and organisation stands out as a factor in the lack of financial accountability in local authorities and all state-owned enterprises. The integrity of critical national statistics and public information is put under spot light particularly as it relates to unrestrained use of statutory instruments, imposition of subsidies, budget overruns, and liability management.

Creation of conditions for market failure in country sends erroneous signals to external markets. Role clarity and misplaced national priorities in Zimbabwe is and elephant in the leaving room, lending all economic policies ineffective. Repeated Loss of value of investments, pensions and other national assets deepens uncertainty coupled with growing institutionalised corruption. A compromised monetary regime, crippling national debt contribute to the assession that Zimbabwe is an extremely high-risk investment destination. Generally, SADC recognises that attracting foreign direct investment is competition among the member states in sub-Saharan Africa as well as with other nations throughout the globally SADC further recognises that A stable political and macroeconomic environment, favourable investment and trade regulations, quality economic infrastructure, qualified human capital base, and a transparent legal system is a necessary and sufficient condition. Integration of the national markets into an expanded regional market with a higher level of liquidity; and A harmonised investment regime subtends a credible macroeconomic environment. Consequently, Zimbabwe's Investment share continues to drop compared to other countries in the region. Countries such as Angola, DRC, Botswana and little Lesotho continue to do well in investment attraction. Company mortality rate in Zimbabwe is at its all-time high and all businesses continue to operate in survival mode. The country cannot access or borrow offshore because a bad repayment record among other effects.

One therefore develops enthusiasm to evaluate whether there is any merit in Zimbabwe seeking repeated derogations in regional and continental integration. Zimbabwe continues to fair lowly in regional growth statistics in SADC and COMESA. Repeated denial of the country being highly indebted and poor, disrespect of most of its bilateral and multilateral commitments continues to militate against the country's potential for full competitiveness. Will derogation assist in restoring the county's opportunities for regional integration.

Finally, the country continues to ascend to all regional and continental integration protocols most of which have a negative impact on national revenue performance particularly trade related duties and taxes. Further, according to the confederation of Zimbabwe industries, capacity utilisation in the manufacturing sector remain constrained and focus tend to show a consistent trend till 2027 unless a robust strategy to deal with the performance of economic enablers is implemented. Generally, Zimbabwe is complicit in domesticating regional policies. Domestication of regional and continental policies ensures harmonisation of regional trade regimes. Zimbabwe requested for a derogation from the AfCFTA for 15 years. Is repeated derogation the solution?

III. Methodology

This paper shall engage with trade experts, writings of trade economists, regional economic communities in and out of Africa to interrogate the concept of trade derogation. Best practice and case studies shall enhance the researcher to provide a critical analysis on whether Zimbabwe has optimally utilised the derogation concept in its pursuit to recalibrate the Zimbabwean economy for regional competitiveness.

Regional and continental integration aspires to increase intra and interregional trade. Member states are at different levels of growth and size. The study will also incorporate various trade protocols which were entered into and ratified by member states, tariffs liberalisation and the systems of nontariff barriers as it relates to reciprocity in integration. The study will then provide a qualitative evaluation of the impact of derogations in implementation of trade liberalisation and ascertain whether derogation is an appropriate tool employed by member states in seeking a waiver to deal with potential inherent constraints they face in participating in integration processes.

IV. Research Questions

Is regional and continental integration advantageous to Zimbabwe?

Does regional or continental integration enhance the economic wellbeing of Zimbabwe?

Has derogation assisted Zimbabwe for reintegration?

Is Integration Derogation effective where rules-based trade relations, reciprocation and national sovereignty play a central role?

Hypothesis

Regional integration derogation is not significantly beneficial to Zimbabwe

Objectives

- To evaluate whether Zimbabwe derives direct or indirect benefits in regional and continental integration.
- To ascertain whether regional and continental integration are purely an economic phenomenon to Zimbabwe
- To provide an analysis of whether the current phase of derogation has enhanced Zimbabwe's opportunities in reintegration
- To provide an in-depth evaluation of Integration Derogation, rules-based trade relations, reciprocation and national sovereignty as they relate to regional and continental integration

V. Conceptual Framework

Regional and continental integration derogation is not a solution to fixing inherent macroeconomic weaknesses of a country. Derogation implies seeking more room for a country to reorganise its priorities in line with its existing capacities and abilities. Conceptually, the multiplicity of activities largely undertaken during periods of derogations do not justify seeking of derogations by countries. Derogations are a delaying tactic to pursue protectionism and retard the process of regional or continental integration. The question that is often asked is whether the benefits of given derogation are outweighed by the effects missing out on positive advantages derived from remaining in integration.

The researcher shall study relevant literature and engage experts to extrapolate facts about the subject particularly economic analysis of the rationale for integration.

Background to Zimbabwe's Application

the prevailing deteriorating macro-economic conditions in Zimbabwe, e characterized by low production capacity; inflationary pressures, coupled with low economic growth rates; shortage of cash specifically the USD which has necessitated the existence of a dual-currency system; and so, called sanctions impacting on Foreign Direct Investment and foreign currency reserves justified the request for integration derogation. The application was made in 2017.

Trade Deficits?

The last decade has seen Zimbabwe failing to manage the delicate relationship of the trade balance with Zimbabwean exports far less than its imports, resulting in sustained trade deficit. The country remains a net importer of all critical goods and services. Whilst efforts to promote local procurement, consumption of locally produced goods and services through buy local initiatives, the country's productive capacity remains constrained, coupled with suppressed quality standards and the cost of these goods are at their all-time high. Exogenous and endogenous factors have been identified as causes of Zimbabwe's inability to eclipse the trade balance i.e reduction of imports and achieving increased manufactured exports. The dependence on primary product exports continues to retard progress in industrialisation undermining the ability of the country to exploit benefits of value addition and beneficiation particularly mining and agricultural products. Conversely, the greatest percentage of Zimbabwean imports are finished products, giving credence to the perception that the country has turned into a regional supermarket and dumping ground for low quality products. The World Trade Organisation recognises the existence of Dumping and it allows within its rules, a government to put protective measures to "act against dumping where there is genuine 'material' injury to the competing domestic industry" Anti-dumping tariffs are an option. Ad valorem, specific, variable and lesser duties are normally charged to correct dumping.

Economists agree that "Improvement in export policy is critical, value addition to exports, market fetching through regionalism and import substitution is essential to manage the trade balance" With this state of affairs, would regional and continental integration be beneficial to Zimbabwe?

Top Exports and Top Imports for Zimbabwe 2016

Top Exports

- Gold ($896M),
- Raw Tobacco ($383M),
- Diamonds ($206M),

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- Ferroalloys ($163M)
- Nickel Mattes ($149M),

Top imports

- Refined Petroleum ($1.19B),
- Corn ($285M),
- Electricity ($162M),
- Packaged Medicaments ($158M)
- Delivery Trucks ($114M).

Source: OCD, 2018

Top Exports Destinations and Top Imports Origin for Zimbabwe 2016

Top Exports Destination

1. South Africa ($1.31B),
2. Mozambique ($267M),
3. United Arab Emirates ($216M),
4. China ($134M),
5. Belgium-Luxembourg ($102M).

Top Imports Origin

1. South Africa ($2.21B),
2. Singapore ($1.02B),
3. China ($380M),
4. India ($170M),
5. Zambia ($170M).

Findings and discussions

Africa union developed a long-term vision, Agenda 2063, objectively to create a coherent Africa capable of self-sustenance, economically, politically and socially integrated. The 2063 agenda, is expected "to elucidate critical issues underpinning its successful implementation, ensure its strengths and weaknesses are interrogated, ways of dealing with persisting challenges are crafted. Continental cohesion is achieved through a number of thematic areas which include, the Agenda 2063 and African Integration, socio-economic aspects of Agenda 2063 and the political philosophical basis of the agenda. There is general acknowledgement that this agenda provides an excellent vision for African countries and African people to consolidate African emancipation. Further, the vision is expected to enhance a broad-based bottom-up participatory approach, and advocates for inclusion and empowerment of all groups of people. Inherent weaknesses still exist with potential impact "that the agenda 2063 is likely to be confronted by the same or similar setbacks which prevented previous African long-term plans from achieving significant results. These include limited finances, lack of ownership, lack of political will, diverse and sometimes conflicting interests, and lack of ideological backup to sustain the vision" It therefore calls for integrity of leadership to craft adequate measures to overcome these challenges.

An evaluation of agreed SADC tariff modalities

The recent SADC Summit adopted tariff modalities tabulated below that would be used by state parties (those that have ratified) to develop tariff offers. These tariff offers will be the basis upon which goods will be traded among the state parties withing the SADC FTA.

	Non –LDCs	LDCs	Timeframe: Non-LDCs	Timeframe: LDCs (SDT)
Non sensitive products	90 percent	90 percent	5 years	10 years
Sensitive Products	7 percent; Subject to Notification and Negotiations; Method of Negotiation: Request and Offer.	7 percent; Subject to Negotiations; Method of Negotiation: Request and Offer.	10 years	13 years
Exclusion List	3 percent; Review after 5 years; subject to negotiation; Subject to anti-Concentration Clause.	3 percent; Review after 5 years; subject to negotiation; Subject to anti-Concentration Clause.		
Transition Period Tariff phase down shall be in equal installments i.e., Linear Approach.				
Supplementary Modality Member States may complement the linear approach with request and offer approach.				

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Variable Geometry

Member States who may wish to make deeper cuts within a shorter time period may do so, on the basis of reciprocity.

Zimbabwe is developing its tariff offer under the category of Non- LDC countries whereby non sensitive products (90%) will be phased over 5 years and sensitive products (7%) over 10 years. The remaining 3% will be excluded from liberalisation. The Non-LDC status of Zimbabwe continues to be debatable. Whilst the integrity of the argument and statistics used to sustain the argument that Zimbabwe is a Non- LDC country further controversial declaration that Zimbabwe is not a poor country and highly indebted.

For Zimbabwe, the classification of each category in terms of the agreed thresholds are in table 2

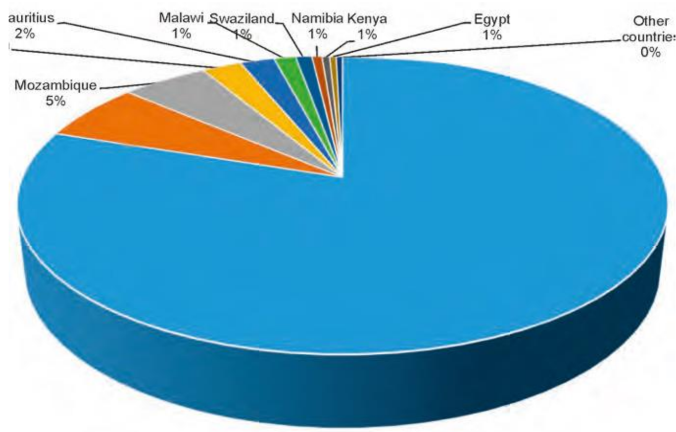
	THRESHOLDS	TARGET TARIFF LINES
TOTAL TARIFF LINES		6 377
NON-SENSITIVE LIST	90%	5 738
SENSITIVE LIST	7%	447
EXCLUSION LIST	3% (Not more than 10% of import value from Africa (2014-2016 or 2015-2017)	192

Given its application under SADC, Zimbabwe together with 6 other countries now as the G7 requested for a phase own period of the non-sensitive products according to the agreed modalities. During the 2019 Summit all member states agreed to implement this according to the adopted tariff modalities.

According to the CZI in the 2019 manufacturing sector survey, the country's unenviable trade balance position is an indicator of a deficiency of country competitiveness. The doing business index provides direction to which the country must take, ensuring prioritisation and streamlining of planning for national competitiveness. Supply side constraints coupled with foreign money shortages are weighing heavily on the country's ability to increase manufactured exports. The survey further acknowledges that Zimbabwe's exports are largely driven by mineral products, them being predominantly unprocessed. Zimbabwe ratified the AfCFTA, in March 2019 amid high expectations that the bigger market shall usher in an opportunity for Zimbabwe to be part of continental value chains. Downstream benefits will incorporate increased productive capacity, quality of products and improved logistics.

Of grave concern to CZI, are the big elephants in the living room. The currency issues remain unresolved to date though some levels of stability have been obtaining in the last four months. Huge National debt in excess of 40% of GDP and the country's ability to extinguish this debt, particularly where the country continues to contract more local and foreign debt is worrying. Endemic corruption and political polarisation are militating against the country's ability to locate itself at the centre regional and continental exports growth. It therefore gives credence to the proposition why Zimbabwe must invest in national competitiveness rather than seeking repeated derogations.

ZEPARU, in its paper on the assessment of Zimbabwe's trade performance within the context of regional integration, studied the extend of liberalisation and commitments undertaken under various trading blocs, the impact of Zimbabwe's trade policy regime, strengths and weaknesses of local institutions, human capital, and Zimbabwe's capacity to fully exploit the integration program. The country has ratified a number of bilateral and multilateral arrangements commitments of which have a direct effect on the country's competitiveness. Liberalisation under SADC, COMESA, the TFTA, IEPA and the AfCFTA opens up the country to competition in country whilst its capacity to exploit the bigger market outside is compromised. Zimbabwe is signatory to the ACP trade grouping, ratified EPAs under ESA. The interim EPA was ratified in 2012.



Zimbabwe's import sources from the TFTA countries

The study concluded that Zimbabwe is currently not competitive due to a number of factors. These factors are internal and takes the government to introspect into the broad macroeconomic environment to ensure necessary policy mix for national competitiveness is instituted.

The European centre for development policy management engaged in a comparative study of ECOWAS and SADC economic partnership agreements.

"In terms of product coverage, ECOWAS will liberalise 75% of its tariff lines, based on its common external tariff, over a period of 20 years. The list of exclusion covers a wide range of products, ranging from agricultural goods to industrial goods. It is meant to ensure that local industries will not be subject to competition from duty-free products from Europe. Regional unity and strong political leadership have proved very useful"

"The SADC EPA negotiating group comprises seven member states. These are Botswana, Lesotho, Namibia, Swaziland and South Africa, as well as Mozambique and Angola. While Angola was part of the negotiations, it did not conclude the EPA. Prior to the EPAs, South Africa's trade was covered by a different

regime, the Trade and Development Cooperation Agreement, concluded in 1999. South Africa joined the EPA negotiations to improve its market access to the EU and to ensure functional coherence of the Southern African Customs Union (SACU), a customs union, of which it is the largest member. The current market access schedule of the SADC EPA group consists of a single offer for the five SACU countries, based on SACU's Common External Tariff (CET) and a separate offer for Mozambique, which is not part of the SACU. As a group, the SADC EPA group is expected to liberalise 80% of its trade with the EU"
The paper concluded that political will is an integral attribute to achieve coherent regional integration. \A natural phenomenon is that trade between Europe and Africa has minimal challenges. EU – Africa relationship continue to deepen trade ties particularly where EU continues to finance African markets development.
According to a technical report by the Southern Africa Trade hub of June 2011, on the impact of derogations from implementation of the SADC FTA Obligations on intra – SADC trade, Tanzania and Zimbabwe had requested to impose duty on selected sugar products and a two-year suspension on tarrif phase down schedule category C respectively. The Southern The SADC Protocol on trade covers provisions, on tariff phase-down schedules for each SADC Member State, which was o be completed by 2012.

"Article 3(1)(c) of the Protocol states that "Member States that have been adversely effected by the removal of tariffs ... may be granted a grace period to afford them additional time for the elimination of tariffs and (NTBs)"

The paper notes that trade in SADC outside South Africa to be affected by the derogation request was insignificant particularly where these derogations are implemented for a limited period of time. Market access opportunities are insignificantly affected by these derogations particularly for small economies in SADC. enforcement and approval of derogations run the risk of compromising trade in SADC because there is hardly an enforceable mechanism to police compliance with derogation.

For the purpose of this study, "smaller economies" are countries classified by the World Bank as low-income (GDP of US$ 995 or less) and as lower-middle-income (GDP between US$ 996 and US$ 3,945). Based on this definition, SADC economies fall into the following categories:

Smaller Economies		**Other Economies**
Low-income	**Lower-middle income**	**Higher-middle income**
Congo, Democratic Rep.	Angola	Botswana
Madagascar	Lesotho	Mauritius
Malawi	Swaziland	Namibia
Mozambique		South Africa
Tanzania		Seychelles
Zambia		
Zimbabwe		

Source: world bank

Despite the necessity of intra trade derogations allowed in the protocol, tariffs of goods under derogations among others, the "indexes of revealed comparative advantage" derogation poses insignificant impact on overall SADC trade. This is mainly due country and trade size, the number of products lines affected by the derogations, availability of alternative product producers in the region, and the period of derogation implementation. The concept of reciprocity is also invoked where there is perceived to deliberate disrespect of the set principles of the protocol.

Gross Domestic Product Annual Real Growth Rates (%) in SADC. 2009-2019

	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Angola	0.8	5.2	4.1	8.8	5	4	0.9	0	0.7	-1.1	-0.9
Botswana	-7.7	8.6	6	4.5	11.3	4.1	-1.7	4.3	2.9	4.5	3
Comoros	3.2	3.8	4.1	3.2	4.5	2.1	1.1	2.3	2.5	3.3	2
DRC	2.9	7.1	6.9	7.1	8.5	9.5	6.9	2.4	3.7	5.8	4.4
Eswatini	1.6	3.8	2.2	5.4	3.9	0.9	2.3	1.3	2	2.4	1.6
Lesotho	2.2	6.7	5.4	6.7	4.2	2.9	2.7	5	-1.3	-0.5	-0.8

Madagascar	-4	0.6	1.6	3	2.3	3.3	3.1	4	3.9	4.6	4.4
Malawi	7.5	6.9	4.9	-0.6	6.3	6.2	3.3	2.7	5.2	3.9	5.2
Mauritius	3.3	4.4	4.1	3.5	3.4	3.7	3.6	3.8	3.8	3.8	3
Mozambique	6.4	6.5	7.4	7.3	7	7.4	6.7	3.8	3.7	3.4	2.3
Namibia	0.3	6	5.1	5.1	5.6	5.8	4.5	-0.3	-0.3	0.7	-1.1
Seychelles	-0.2	5.9	5.4	3.7	6	4.5	4.9	4.6	4.4	3.8	4.7
South Africa	-1.5	3	3.3	2.2	2.5	1.8	1.2	0.4	1.4	0.8	0.2
Tanzania	5.4	6.3	7.7	4.5	6.8	6.7	6.2	6.9	6.8	7	7
Zambia	9.2	10.3	5.6	7.6	5.1	4.7	2.9	3.6	3.7	4	1.4
Zimbabwe	12.6	19.7	14.2	16.7	2	2.4	1.8	0.8	0.8	4.8	2.3
SADC-Average	0.2	4.5	4.2	4.5	4	3.5	2.2	1.5	2.1	1.9	1.4

Source: SADC selected Economic and Social Indicators (2020)

SADC (EAP group)

Tanzania was on schedule with its tariff commitments, the Government applied for derogation to levy a 25% import duty on sugar and paper products until 2015 in order for the industries to take measures to adjust. Tanzania has made a request for derogation for its paper industry to support it in achieving required economies of scale and to successfully compete in international markets. Mozambique-Mozambique obtained a derogation on shrimp and lobster. Namibia obtained an automatic derogation of 800 tons for preserved tuna (HS 1604, 0302, 0304).

In COMMESA, Swaziland Derogation had been granted not to implement the COMESA FTA in recognition of the fact that Swaziland is required to maintain the Common External Tariff of the Southern Africa Customs Union (SACU)

European Integration Experience

Europe underwent multiplicity of experiences in ensuring maintenance of a cohesive integrated group. Brexit is but one of the many integration weaknesses experienced to date, with Britain opting out because of a number of economic challenges the country was undergoing. Whilst on one hand Europe is frantically signing up economic partnership agreements with the world, Britain took a bold step to exit the European union.

Robust internal national conversation on the merits and demerits of Brexit took place, particularly on areas of economic advantages/ disadvantages, national interest and national sovereignty, benefits accruing to Britain in European union integration and indeed whether London would lower its leaving standards by exiting the EU group. According to Robert Fay (2019) the integration of Britain into the EU was "never really about supposed European Union control over the United Kingdom or about Britain's inability to set its own destiny without the encumbrance of myriad rules and regulations mandated by the European Union, Rather, it was a lightning rod for an intertwined set of long-simmering issues that have plagued the UK economy: stagnant incomes as a result of languishing productivity growth — it has essentially not risen in a decade — which the chief economist of the Bank of England, Andrew Haldane, notes is "almost unprecedented" in the modern era; the regional divide, in part brought on by trade and deindustrialization; rising inequality; inadequate funding for welfare programs and the National Health Service; and so on". United Kingdom took a position which undermined global consensus that the more integrated countries are the better the opportunities and economic fortunes for the members of the integration.

Europe and Differentiated Integration

Europe continues to debate on the concept of differentiated integration. Despite the drive by non-member states of the EU to implement "European Union (EU) rules as exemplified by the European Neighbourhood Policy" The certainty of differentiated integration remains under the spot light. Broadly the concept of differentiated integration involves "opting-out and inducing-in. In the case of opting-out, EU member states can refrain from adopting EU rules; inducing-in refers to providing non-member states with incentives to adopt EU rules"

On the other hand, there are some schools of thought which believe the European Union is important albeit with some inherent challenges. They believe fixing these challenges is the most optimal option considering the milestones already covered particularly as it relates to collective effort in confronting the challenges around streamlining EU wide business processes, engendering the digital market and ensure the future economic prosperity of the EU union region.

Despite the broad criticism, Europe still enjoys the support of 66 percent of member states. It is a fact that the EU is experiencing substantial challenges, Brexit being one of them. The rise of nationalism and populism has also posed a major huddle and collective energies to deal with these is key. Intra and inter EU trade has fast been growing and this is credited to managing red tape and bureaucracy. Businesses find this to be critical in facilitating trade and investment. Big data management is also a critical economic management tool necessary for sustainable integration. Countries such as America and China have installed capacity for efficient management of big data for use by economic players. The EU General Data Protection Regulation (GDPR) gave impetus to the region and has enormous potential to positively impact trade and investment in the EU.

VI. Derogation experiences in the EU

While in the previous rules of origin the provisions on derogation were applicable only to Least Developed Countries, (LDCs), the current rules of origin extend the possibility of derogation to developing countries. Cyprus requested for Temporary derogation, Cambodia and Nepal derogation for textile products, Denmark and the United Kingdom, it is a permanent derogation and these states are not obliged to join the European Monetary Union and Sweden was given temporary derogation for the use of the Euro as a domestic currency.

The 2018 Convergence Report covers seven Member States with a derogation and these include Bulgaria, the Czech Republic, Croatia, Hungary, Poland, Romania and Sweden. Major issues emanating from these derogations include:

Bulgaria- currently fulfils three out of the four economic criteria necessary for adopting the euro: the criteria relating to price stability, public finances and long-term interest rates. Bulgaria does not fulfil the exchange rate criterion and legislation in Bulgaria is not fully compatible with the Treaty.

Czech Republic: currently fulfils two out of the four economic criteria necessary for adopting the euro: the criteria relating to public finances and long-term interest rates. The Czech Republic does not fulfil the price stability and exchange rate criteria and legislation in the Czech Republic is not fully compatible with the Treaty.

Croatia: currently fulfils three out of the four economic criteria necessary for adopting the euro: the criteria relating to price stability, public finances and long-term interest rates. Croatia does not fulfil the exchange rate criterion. Legislation in Croatia is fully compatible with the Treaty.

Hungary: currently fulfils two out of the four economic criteria necessary for adopting the euro: the criteria relating to public finances and long-term interest rates. Hungary does not fulfil the price stability and exchange rate criteria and legislation in Hungary is not fully compatible with the Treaty.

Poland: currently fulfils two out of the four economic criteria necessary for adopting the euro: the criteria relating to price stability and public finances. Poland does not fulfil the exchange rate and long-term interest rate criterion and legislation in Poland is not fully compatible with the Treaty.

Romania: currently fulfils one out of the four economic criteria necessary for adopting the euro: the criteria relating to public finances. Romania does not fulfil the price stability, exchange rate and long-term interest rate criteria and legislation in Romania is not fully compatible with the Treaty.

Sweden: currently fulfils three out of the four economic criteria necessary for adopting the euro: the criteria relating to price stability, public finances and long-term interest rates. Sweden does not fulfil the criteria related to the exchange rate and legislation in Sweden is not fully compatible with the Treaty.

Furthermore, the review of other factors shows that the countries examined are generally well integrated economically and financially in the EU. However, some of them still experience macroeconomic vulnerabilities and/or face challenges related to their business environment and institutional framework which may pose risks as to the sustainability of the convergence process.
Regional Economic Communities in Africa

Continental integration is REC driven. The Tripartite is a cooperation of SADC, COMESA and EAC (The Common Market for Eastern and Southern Africa; the East Africa Community and the Southern African Development Community) According to EAC, the Tripartite Comprises of 26 member countries, formed for the purposes of accelerating economic integration for the people of the Eastern and Southern African Region. EAC further highlights that the tripartite supreme objective is to contribute to the broader objectives of the African Union that is accelerating economic integration of the continent and achieving sustainable economic development leading to poverty alleviation and improvement in quality of life for the people of the Eastern and Southern African Region. Despite the Tripartite integration's weaknesses, it instructed the formation of the AfCFTA. Lessons learnt from this initiative provided guidance to the creation of the continental integration initiative. Africa has 8 Regional Economic Communities (RECs) and sub-regional bodies which are the building blocks of the African Economic Community established in the 1991by the Abuja Treaty. The treaty provides the overarching framework for continental economic integration.

- The Arab Maghreb Union (AMU/UMA) External Link in the north,
- The Economic Community of West African States (ECOWAS) External Link in the west,
- The East African Community (EAC) External Link in the east,
- The Intergovernmental Authority on Development (IGAD) External Link also in the east,
- The Southern African Development Community (SADC) External Link in the south,
- The Common Market for Eastern and Southern Africa (COMESA) External Link in the southeast,
- The Economic Community of Central African States (ECCAS) External Link in the centre, and

- The Community of Sahel-Saharan States (CENSAD) External Link in the north.

Source: African Union

The foundation and Building Blocks for the African Union are its RECs principally to constitute capacity for economic integration in Africa, but are also key actors working in collaboration with the African Union (AU), in ensuring peace and stability in their regions (AUC). Further the RECs have been central to various transformative programs of the continent, including the New Partnership for Africa's Development (NEPAD) adopted in 2001, and the AU's Agenda 2063 adopted by its Summit in January 2015. The First Ten-Year Implementation Plan was adopted by the 25th Summit of the AU heads of state and government in June 2015.

Whilst peace and security are important in continental economic development, "RECs have the immense challenge of working with governments, civil society and the AU Commission in raising the standard of living of the people of Africa and contributing towards the progress and development of the continent through economic growth and social development"

VII. Recommendations

Regional and continental integration in Africa is a "nice to have". Macroeconomic conditions of member states vary. African countries have varied levels of Vulnerabilities caused by international factors and by local factors. These vulnerabilities are the basis for the complexities in regional economic relationships among countries in Africa. State leadership in creating developmental states in African is weak particular with the prevalence of politically induced uncertainty on the rise. African leaders are vulnerable to strong national institutions in their states. They believe in creating strong men and women who are politically sensitised to safeguard and consolidate their leadership political power at all costs.The study therefore elaborately exposes a number of weaknesses in African states governance systems leading to the below recommendations:

1. Seeking Derogation in regional and continental integration is basically acknowledgement that Zimbabwe has a deficiency or a gap in readiness to implement agreed integration milestones. Countries in Africa, Zimbabwe included, have a general tendency of ascending to agreements which they are not bound by. It is therefore important to avoid signing up to these multilateral and bilateral arrangements when the conditions in country are suboptimal to comply with and not in the best interest of the country.
2. Over Dependency on taxation alone demonstrates the lack of fiscal innovation by Zimbabwe. Whilst rationale taxation is acceptable, Zimbabwe continues to destroy the ability of productive sectors to create trade related capacity because they are overtaxed. To achieve optimal growth, streamlining tax heads in line with desired economic growth targets has a knock-on effect on tax voluntary compliance, simplification of revenue collection and eradication of corruption.
3. Creation of local infrastructure for trade and industrialisation increases national competitiveness. Deploying resources to achieve national productivity naturally sets up the country for regional, continental and global competitiveness. The over-all national aspiration (vision 2030) is to create economies of scale to satisfy the demand of the bigger market.
4. National stakeholder participation in designing solutions to matters affecting economic activities is crucial for holistic buy -in and ownership. Zimbabwe Government has a tendency to govern by divide and rule, resulting in restrictions to national coherence. Economic players, academia, labour and civil society are development partners in a nation and are partners to the government of Zimbabwe. They play a significant role, not only in ensuring checks and balances on the state but they facilitate operationalisation of government policies at local, regional and continental levels. Public- private dialogue (PPD), though very weak in Zimbabwe, plays a vital role in facilitating collective efforts to achieve defined national targets.
5. Human capital development strategies answer to the question of relevant skills mix in keeping with achieving set national economic goals. Zimbabwe, among Countries which invest in education, entrepreneurship and innovations has harvested from huge banks of knowledge relevant solutions to national economic, social and political challenges. Zimbabwe national leadership, sadly is intimidated by highly trained and educated people particularly in areas of business and politics.
6. National introspection is necessary to ensure the integrity of national economic statistical data for futuristic planning as well as candid evaluation of the existing economic macroeconomic conditions. Zimbabwe, like many Countries in Africa, which survive on perennial denial of their inherent national macroeconomic and political problems, are prone to repeated derogations because national economic data is inaccurate to give impetus to objective decision making. Robust structural transformation is necessary to warrant harmonisation of industrialisation and trade strategies. Synchronisation of trade and industrial policies is imperative for economic convergence.
7. A whole government approach to development of an economic marshal plan is an immediate necessity. Competition for individual or sectorial recognition continues to dampen role clarity, complementarity and support in meeting desired national economic objectives.

VIII. Conclusion

The paper qualitatively argued that Zimbabwe, despite the derogation requests, has weak economic fundamentals necessary for effective exploitation of regional and continental opportunities. The country would emerge weaker if all pre-requisites of the SADC FTA, COMESA and the AfCFTA are genuinely implemented particularly the tariff phase down. There are no direct benefits accruing to the country as a result of the introduction of the bigger market precisely because Zimbabwe has no installed capacity for value added exports, is a high-cost producer in the region, and has very low product standards among other weaknesses.

For Zimbabwe, Regional integration is not purely an economic phenomenon. Historically, the country has failed to harmonise and domesticate regional policies and laws to facilitate smooth integration. The effect of the SADC Tribunal is a case in point. Further, the country cannot respect its own laws particularly on property rights, rule of law and commitment to existing bilateral and multilateral arrangements. No meaningful progress has been made in improving ease of doing business despite the rhetorical and hollow open for business mantra. Like most African countries, weak economic governance institutions in country are militating against concerted efforts to boost investor confidence and achieve inclusive growth.

The current regime of national policies has led to the destruction of critical productive assets in mining, manufacturing and agro processing particularly where fiscal and monetary instruments leadto erosion of investments, savings and confidence. This state of affairs makes the country, not only uncompetitive but unsuitable for any integration efforts because of the uncertainties surrounding payment systems and valuation of assets.

The existing derogations have not helped the country in any way because macroeconomic conditions have not improved to have a knock-on effect on regional competitiveness. In actual fact, the country continues to miss out on all macroeconomic targets. The transitional stabilisation policy reports significant shortfalls in achieving its intended objectives save for the recent currency and exchange rate stability. Capacity utilisation in manufacturing sector is likely to reduce further according to the 2019 CZI manufacturing sector survey, disinvestment in the mining sector continues as evidenced by the Karo resources platinum project stagnation, supply side constraints remain a serious threat to company survival and national debt is at its all time high. The country will potentially seek a further extension due to lack of preparedness.

The Zimbabwe economy is not as complexly diversified. Drivers of growth are few, with mining sector occupying the lead position in the last financial year. Trade in services is driven by tourism for which product has been negatively affected by the covid19 pandemic. No New growth nodes potential currently exists. It therefore translates to potential negative growth beyond 2021. Any future attempts to reintegration beyond the current derogation period will not give any positive results unless wholesome changes are undertaken to improve national competitiveness.

Bold reforms are needed in African integration. African countries dislike the concept of rules based economic engagements. Committing to economic integration agreements remains academic particularly where their rhetoric of protecting national interest. Zimbabwe falls in the same category and risks other countries invoking reciprocity to counter the effects of bad domestic economic policy. Use of statutory instruments in the last two financial years has seen the removal of a number of products from the Open General Import Licencing, affecting most products in SADC FTA protocol. Belonging to a number of different trade blocs complicates implementation of trade requirements. WTO rules on most favoured nation (MFN) unlocks market access in all bilateral and multilateral arrangements by Zimbabwe. This has likelihood to weaken the fluidity of regional integration. Cherry-picking preferred and favourable trading regimes in either COMESA, SADC and the EU among others, may induce instability in complying with trade requirements particularly when Zimbabwe continues to undergo inherent macroeconomic challenges as a consequence of bad economic governance. The paper has managed to provide an in-depth evaluation of Integration Derogation, rules-based trade relations, reciprocation and national sovereignty as they relate to regional and continental integration.

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